

## BASIS OF SPECIAL ASSESSMENTS

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Special Assessment is a method the City of Bismarck (the City) uses to pay for public improvements that affect benefiting properties. The costs of the improvement are allocated to the parcels/lots that benefit from these improvements.

Notification letters are sent to non-petitioning property owners included in a special assessment district. The letters identify the proposed improvement project and provide an estimated cost range of the property assessment. Letters for non-petitioned projects are sent before the project is approved by the City Commission. Letters for petitioned projects are sent to non-petitioning properties after the bids for the project are received.

The following policy is the basis for special assessments when the public improvement is petitioned by a benefiting property owner or initiated by the City. This policy has been developed in accordance with North Dakota Century Code, Title 40, which relates to municipal government.

### 1. Special Assessment Districts

#### ● Storm Water

- Cost allocation based on parcel/lot square footage.
- District boundaries are determined by watershed areas.
- Coulees, detention ponds, and other nondevelopable lots are not assessed for storm water.
- For regional storm water districts, the Public Works Utility Operations Department assumes the cost for unannexed property via assessment to a City-owned parcel. This cost is held in abeyance and assessed in a continuous district to previously unannexed land when the land is subsequently annexed. This only applies to remaining masterplanned projects in North Washington Street, Carufel's and Tyler Coulee watersheds (see Continuous Districts below).
  - Factor applied to unannexed property shall coincide with the Comprehensive Land Use Plan.

#### ● Street Lights

- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Boundaries are drawn to include properties that benefit from the improvement based on adjacency and proximity. Access is not a pre-requisite in determining benefit.
- City may consider installing street lights when transportation safety issues exist or if 50% of lots contain building structures or have building permits issued.
- Corner lots only pay a 1/2 street light assessment for each side of the lot.

- **Streets**

- All properties will be assessed for a local street and a proportionate share of an arterial street unless the developer pays the cost of the local street and/or arterial streets under a three-way agreement with the City. District boundaries are drawn to include properties that benefit from the improvement based on adjacency and proximity. Access is not a pre-requisite in determining benefit.

1. ***Local & Collector Streets***

- a. *New Pavement/Right of Way Corridor Reconstruction*

- Typical project components include grading, surfacing, pedestrian facilities, drainage systems, lighting and traffic control.
- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- City does not subsidize new pavement projects petitioned by benefitting properties.
- City subsidy rate for right of way corridor reconstruction projects is evaluated on a case-by-case basis as approved by the City Commission.
- Balance of remaining cost is assessed unless other City resources are identified and approved.

- b. *Pavement Maintenance - Full-Depth Rehabilitation/Resurfacing*

- Typical project components include full-depth pavement replacement, patch, level, mill & overlay, seal coat, crack seal, concrete pavement repair.
- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- In non-commercial parcels/lots with full-depth rehabilitation/resurfacing and streets wider than 37 feet, the City assumes the cost for the additional width of pavement wider than 37 feet and thicker than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- City subsidizes 25% for resurfacing projects.
- City subsidizes 70% for full-depth rehabilitation projects.
- Balance of remaining cost is assessed unless other City resources are identified and approved.

2. ***Arterial Streets***

- a. *New Pavement/Right of Way Corridor Reconstruction*

- Typical project components include grading, surfacing, pedestrian facilities, drainage systems, lighting and traffic control.
- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- District boundaries are drawn to include properties with a direct benefit following same guidelines as local & collector streets and those with a secondary benefit generally including properties in the area half-way to the next north-south or east-west assessed arterial street.
- Direct benefit would be an assessment equivalent to new pavement assessment on a local street plus a share of secondary benefit as all parcels/lots pay for a local street plus a portion of the arterial streets.
- Secondary benefit would be a proportionate amount of the direct benefit.
- In non-commercial parcels/lots with streets wider than 37 feet, the City assumes the cost for the additional width of pavement wider than 37 feet and pavement depth greater than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- City does not subsidize new pavement projects petitioned by benefitting properties.
- City subsidy rate for right of way corridor reconstruction projects is evaluated on a case-by-case basis as approved by the City Commission.
- Balance of remaining cost is assessed unless other City resources are identified and approved.

b. *Pavement Maintenance - Full-Depth Reclamation/Resurfacing*

- Typical project components include full-depth pavement replacement, patch, level, mill & overlay, seal coat, crack seal, concrete pavement repair.
- Cost allocation is based on a per parcel/lot for residential and square foot for commercial.
- Special Assessments are proportionate with costs for typical local street. Generally, arterial streets require resurfacing more frequently than local streets. Lots on arterial streets will have their special assessment adjusted to be proportionate to a local street special assessment.
- In non-commercial parcels/lots and streets wider than 37 feet, the City assumes the cost for the additional width of pavement wider than 37 feet and thicker than local roadway design. Commercial parcels/lots are assessed full width and depth costs.
- City subsidizes 25% for resurfacing projects.
- City subsidizes 70% for full-depth reclamation projects.
- Balance of remaining cost is assessed unless other City resources are identified and approved.

3. ***Alleys (public alleys with asphalt or concrete pavement)***

- The full cost to pave, resurface, or full-depth rehabilitate public alleys will be assessed proportionately, without subsidy, based on a per parcel/lot for residential property and square foot for commercial property, to properties that either abuts the alley or have access to their property via the public alley.

● **Concrete Curb & Gutter/Sidewalk/Driveways (New and Repairs)**

- New Pavement/Right of Way Corridor Reconstruction/Pavement Maintenance
  - Sidewalk and Driveways are assessed to individual parcels/lots for new pavement and pavement maintenance projects.
  - Sidewalk and Driveways are included as project costs in right of way corridor reconstruction projects.
  - Curb and Gutter and ADA Ramps are included as project costs in all projects.
- Owner-Elected Improvement
  - Total costs are assessed directly to individual parcels/lots.

● **Federal/State/Local Aid Projects**

- Parcels/lots included in Federal/State/Local Aid projects are assessed equivalent to the method used for a local roadway (Refer to Arterial Streets section above).

**2. Continuous Districts**

A. **Storm Water - Regional projects that benefitted unannexed property**

- Costs held in abeyance are assessed upon annexation of those parcels.
- Cost allocation is based on parcel/lot square footage of the previous project(s).

B. **Rural Road Usage Policy**

- The improvement cost for streets or street lights for property not annexed that benefit from the improvement will be held in abeyance until those properties are annexed to the City in accordance with the City Commission Rural Road Usage Policy and NDCC 40-23-19.

**3. Factors**

A. **The following factors are applied to all special assessment districts, except Continuous Districts:**

- Factors applied are:
  - Commercial - 2.0

- Residential - 1.0
- Agricultural - Factor applied shall coincide with Comprehensive Land Use Plan.
- Public Park Property - if the property contains a revenue producing facility (i.e. pool), that area which supports the use is Commercial - 2.0; otherwise, same application as Residential - 1.0
- Schools & Churches - Commercial - 2.0.
- Stormwater Lots - 0.5
  - Stormwater lots are subject only to paving and street lighting assessments on a per parcel/lot residential basis.

#### **4. Adjustments**

- Parcels with Access via Private Drives
  - Private drives are named roadways that lead from a public street to more than one property and are owned and maintained by private individuals or organizations rather than the City.
  - Commercial properties that gain access to their property from a public street via a private drive are assessed for pavement and street lighting improvements to the public street based on 75% of their lot square footage or adjusted square footage, if applicable.
  - Residential properties that access their property from a public street via a private drive are assessed for pavement and street lighting improvements to non-arterial public streets based on 50% of their parcel/lot or adjusted parcel/lot, if applicable.
  - Actual costs of concrete repairs to driveway aprons or sidewalks on the private drive will be assessed proportionately to all parcels utilizing the private drive.
- Multi-street properties within street assessment districts
  - Multi-street properties are those with more than one street adjacent to the property. Multi-street properties are assessed based on the street(s) being improved.
  - For residential multi-street properties with two adjacent streets\*, 1/2 of the assessment is allocated to each street.
  - For residential multi-street properties with more than two adjacent streets\*, a proportion of the assessment is allocated to each street relative to the total number of streets improved.
  - For commercial multi-street properties, the portion of the adjacent street\* footage within the district relative to the parcel's total adjacent street\* footage is allocated.
    - \*ND Dept. of Transportation Regional Highways are excluded from multi-street allocations (Effective for all assessment districts confirmed by the City Commission after December 31, 2020).
- Areas encumbered by stormwater easements, slope protection easements, and other non-buildable areas are removed from the assessable area of a parcel.
- When cost allocation is by the residential parcel/lot, the parcel area is calculated and undersized and oversized adjustments are applied based on the following schedule:
  - 0 to less than 1,250 SF = 0.25 factor
  - 1,250 SF to less than 2,500 SF = 0.5 factor
  - 2,500 SF to less than 5,000 SF = 0.75 factor
  - 5,000 SF to less than 20,000 SF = 1.0 factor
  - For parcels 20,000 SF and larger the factor is increased by 0.5 for each 10,000 SF over the 20,000 SF for example:
    - 20,000 SF to less than 30,000 SF = 1.5 factor
    - 30,000 SF to less than 40,000 SF = 2.0 factor

40,000 SF to less than 50,000 SF =2.5 factor

- Residential classified property is capped at an area of 200,000 SF and a factor of 10.
- Adjustments may be made if the literal application of the policies results in an inequitable assessment and to achieve a more equitable assessment.

## **5. Subdivision of Parcels**

- Parcels that are replatted, split or combined would have their assessment prorated using the area of the resulting parcels. Consideration of applying the current assessment policy to create a more equitable reassignment of the assessment would be considered on a case-by-case basis. Any variation of a square footage reassignment would be communicated to the owner prior to the replatting, splitting, or combining action.
- Parcels triggering Utility Capital Charges with existing water and sewer trunk line special assessment balances could have the amount paid on the assessment considered when determining Utility Capital Charges and could have the trunk line special assessment removed from the property through payment of the applicable Utility Capital Charge.

## **6. Assessment Terms**

- Assessments utilize the following payback terms, unless approved otherwise by the City Commission.
- Secondary work items follow the terms of the primary project (i.e. a driveway replaced as part of a pavement resurfacing project would follow the terms of the pavement resurfacing project)
  - 1 year – any assessment less than \$500
  - 3 year – pavement preservation (scrub seal, stand alone chip seal, patch, etc.)
  - 7 year – pavement full-depth reclamation and resurfacing
  - 10 year – concrete pavement repair, street lights, concrete sidewalk/driveway new and replacement
  - 15 year – new pavement, right of way corridor reconstruction, storm sewer

## **7. Errors or Omissions**

- Corrections may be made to existing special assessments if errors or omissions of the applicable policy are determined at the time the error is identified.